

FINELINE

January 2004*A Division of Finance monthly communication service*

Agencies Must Follow Policy for Payroll Review and Approval

All department heads and payroll coordinators should have received a letter from the State Auditor concerning internal controls related to the new SAP Payroll System. Auditors identified a significant internal control weakness because some agencies had not consistently complied with the policy of review, approval, and documentation for payroll transactions.

We remind agencies that they need to comply with the policy **each payroll cycle**. Agencies should review their own compliance and take any corrective actions necessary before the next audit cycle. We are currently in the middle of the fiscal year that will be audited again by the auditor. If, in your review, you find problems and take corrective action, for audit purposes you should document the action taken. The State Auditors will be paying particular attention to the payroll approval processes and will also be looking for appropriate documentation of compliance with the payroll transaction approval policies.



Article continues on page 2

Employee Self-Service Is On Its Way

The Division of Finance is in the process of selecting a consultant to assist with implementing some Employee Self-Service (ESS) functionality for the Payroll System. We plan to start the project after calendar yearend processing is completed, probably in mid-January, and we anticipate it will take us six months to complete the first phase of implementation.

The first phase will involve employees in the Division of Finance and possibly some employees from other agencies. After the initial phase, we will work with individual agencies to allow their employees to use ESS.

Among other features of ESS, supervisors will be able to approve recorded time on-line. In addition, ESS will allow employees to use the Internet to:

- ★ Record their own work and leave time
- ★ View their current leave balances
- ★ Change their IRS Tax Withholding Form W-4
- ★ Change their direct deposits
- ★ View their paycheck stubs

Planning Now for Tomorrow's
PROGRESS

If your agency would like to be involved in early implementation of Employee Self-Service, contact Mark Austin at 801-538-3023 or maustin@utah.gov. ❖

Budget and Accounting Officers Can Help

Budget and Accounting Officers, please work with management, payroll, and human resource coordinators in your departments to make sure the policies are being followed. We have received comments from some payroll coordinators that managers are not taking the policies seriously, and this is creating some of the exceptions. Because the policy was new and approved after the Payroll System was in production, we can expect a higher incidence of non-compliance during the first few months. However, the policy should now be routine and, hopefully, we should see fewer exceptions.

Budget and Accounting Officers also should help to educate management and all involved in payroll of the importance of proper internal controls. These important controls help to protect state assets and to prevent fraud and misappropriation of state funds. Internal controls are also necessary for federal cost allocation compliance and are important in providing reliable information for financial reporting.

Policy Sets Requirements

The complete policy on the Payroll Review and Approval Process, FIACCT 11-17.00, is available on the Division of Finance's Web site at www.finance.utah.gov. It was also distributed with the letter agencies received from the State Auditors.

According to the policy, the agency is responsible to do the following:

- ❶ Review and approve biweekly time sheets completed by the employee.
- ❷ Correctly enter time and other earnings to the SAP Payroll System.
- ❸ Review and approve transactions entered. Review the following reports: Time Summary, Time Edit, Time Entered After Cutoff, and Payroll Results Edit Reports.
- ❹ Complete **one** of the following:
 - ✓ Sign and date each report.
 - ✓ Sign and date a Payroll Review and Approval Cover Sheet (available at the end of the policy) and attach the last page of each report.
 - ✓ Sign and date a Payroll Review and Approval Cover Sheet (available at the end of the policy) and save an electronic file of each report.
- ❺ Maintain a file of approved time sheets.
- ❻ Store the review verification documents (either the signed reports, the Payroll Review and Approval Cover Sheet and the last page of the reports, or the Payroll Review and Approval Cover Sheet and the electronic file of reviewed reports).

If you have questions about documenting the payroll review and approval process, contact Mark Austin at 801-538-3023 or maustin@utah.gov. ❖



Finance Is Offering Additional FINET Courses

FINET Inventory

FINET Inventory is back! After a long recess, this instructor-led course is once again available. It provides an overview of the inventory processes and practice with each type of transaction related to inventory. This class is designed for those at the Department of Corrections and the Department of Transportation who work with FINET inventory.

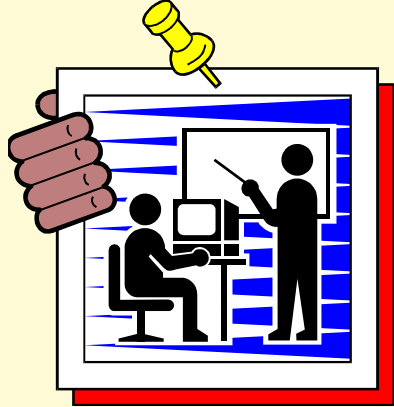
See the January training schedule on [page 5](#) of this newsletter or on the Finance Web site at www.finance.utah.gov/training/schedule.htm for dates when the class is being offered this month.

FINET Cost Accounting

Do you need to collect financial information across organization lines or track costs across fiscal years? Do you use a spreadsheet to reorganize FINET information for management reporting? Do you find that the information is in there but it isn't organized the way you need it? If so, you will want to re-view our latest course delivered via the Internet.

The Cost Accounting course explains how to use the cost accounting features of activity, reporting category, project, and job. It also explains how to determine which of these features will help you collect the FINET information you need. Learn how to let FINET collect and organize your data for you.

Access the course at www.finance.utah.gov/training/courses.htm. ❖

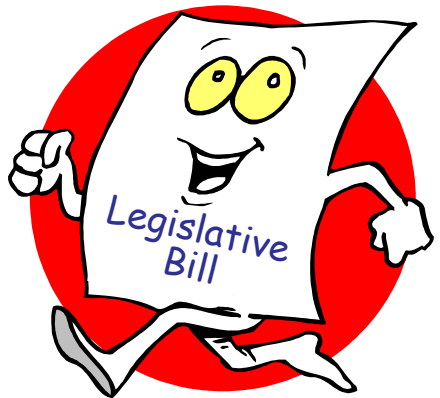


Finance is bringing back the instructor-led FINET Inventory class this month and is unveiling a new Internet-delivered course for Cost Accounting.

Contact Finance Before Your Bill Is Numbered

If your agency is sponsoring legislation with financial implications, we would appreciate it if you would involve the Division of Finance as early as possible. When we have the opportunity to review proposed legislation before the bill is numbered, it is easier to eliminate potential problems.

To notify the Division of Finance of legislation with potential financial implications, please contact Marcie Handy (801-537-9081, mhandy@utah.gov) or Lynn Vellinga (801-538-3102, lvellinga@utah.gov). ❖



Annual Report to Citizens Was Issued in December

The *Fiscal Focus*, the State's annual popular report to the citizens of Utah, was distributed in December to public libraries, agency heads, and on-line at Finance's Web site (www.finance.utah.gov/reports/fiscalfocus.htm).

The *Fiscal Focus* provides citizens with a brief overview of state government operations, financial condition, and current economic environment. Information from the Comprehensive Annual Financial Report (CAFR) is condensed into charts and narratives that are easy to read and understand.



In addition to financial data from the CAFR, *Fiscal Focus* includes a message from the Governor, an analysis of the State's economy from the Governor's Office of Planning and Budget, and short articles that describe several major accomplishments of state agencies in the past year.

The *Fiscal Focus* informs citizens how their tax dollars are being spent on essential government programs that directly impact their lives. ❖

Frequently Asked Question from FINET Help Desk

Q I'm getting errors on vendor payments that say "Record already on OVIH." What does that error mean? How do I get past it?

A This error means that the Vendor Invoice number you are using has been used with the vendor before. It's possible that another agency paid the same vendor using the same Vendor Invoice number and that it is not related to your payment. It's also possible that the payment you are making is a duplicate payment.



To resolve this issue, go to the Open Vendor Invoice Header Table (OVIH) and look up the payment by entering the vendor number and the Vendor Invoice you are looking for. In the Vendor Invoice field, enter it as VI#####. Then press *F4*, Display/Browse Data. You will then see the PV that used that Vendor Invoice and will be able to tell if it is a duplicate or if it is another agency paying the same vendor using the same Vendor Invoice. If you determine that the payment is not a duplicate, you will need to make the Vendor Invoice number unique to get it to pass edits. ❖

Contact the Division of Finance

Division Receptionist
801-538-3082

Financial Reporting
801-537-9081

Data Warehouse
801-538-3530

Disbursements
801-538-3200

Payroll
801-538-3056

FINET Help Desk
801-538-9690

Office Address
Room 2110
State Office Building
Salt Lake City
UT 84114-1031

FAX: 801-538-3244

FINET Schedule

- Jan. 1** FINET closed; New Year's holiday
Jan. 9 FINET open; December monthend
Jan. 19 FINET closed; Martin Luther King Jr. Day
Jan. 20 FINET open; Tuesday cycle due to holiday



Payroll Training

Computer-based training on the Payroll System is available on the Finance Web site at www.finance.utah.gov/training/courses.htm. For Payroll Information call 801-538-3056.

FINET Classroom Training

- Jan. 8** Purchasing; 8:30 – 11:30 a.m.
Jan. 8 Disbursing Lab; 1 – 4 p.m.
Jan. 13 Data Warehouse – Payroll; 10 – 11:30 a.m.
Jan. 13 Data Warehouse – FINET; 1:30 – 3 p.m.
Jan. 14 Fixed Assets Lab; 8:30 – 11:30 a.m.
Jan. 14 Internal Transactions Lab; 1 – 4 p.m.
Jan. 15 FINET Inventory; 8:30 a.m. – 4:30 p.m.



FINET Computer-Based Training

The following computer-based training teaches basic FINET skills and basic procedures associated with each functional area:

- Internet Courses:** System Navigation, FINET Overview, Employee Reimbursements, Purchasing and Disbursing, FINET Cost Accounting, Revenues and Receivables, Internal Transactions, and Fixed Assets
- CD-ROM Courses:** On-line Inquiries, Grant Accounting, Budget Control, and Inventory Control (contact the FINET Help Desk to obtain access to the CD-ROM courses)
- FINET Help Desk:** Call 801-538-9690 to resolve immediate questions

Reservations



To reserve your spot in any class offered this month or to add your name to our waiting list, call 801-538-3082. If you make reservations and find that you cannot attend, please notify us as soon as possible so we can make your spot available to someone else.

Persons with disabilities requiring accommodation should call 801-538-3082 a week before the class to request reasonable accommodation.

Read descriptions of all our courses at: www.finance.utah.gov/training/courses.htm